

To the Members of the California State Senate:

I am returning Senate Bill 1023 without my signature.

This bill would unnecessarily create a new penalty against employers and insurers for failing to comply with an order of the Workers' Compensation Appeals Board.

Existing law contains a mechanism to penalize employers or insurers that unreasonably delay or refuse to pay benefits. In fact, my 2004 workers' compensation reform package improved existing law by eliminating provisions of law that allowed trial attorneys to file frivolous claims for hundreds of thousands of dollars over disputed payments of a few hundred dollars.

With this avenue to quick profits blocked, trial attorneys are seeking a new route to fill their coffers at the expense of the entire workers' compensation system. Needless to say, I will not reinstate flawed provisions of the workers' compensation system which were reformed last year.

For these reasons I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger